

Tahoe Seasons Resort
Time Interval Owners' Association Board of Directors
Regular Session Meeting Minutes
March 16, 2009

I. CALL TO ORDER/ROLL CALL

Vice President Gary Ransone called the meeting of the Board of Directors of Tahoe Seasons Resort to order at 9:00 AM. The following persons were in attendance:

Board Members:

E.C. van Eckhardt, *President* (not present)

Gary Ransone, *Vice President*

Robert "Bob" Stickel, *Chief Financial Officer* (not present)

Adolphus "Doc" Thomas, *Secretary*

Roy Fraser, *Director*

Bruce Bergondy, *Advisor*

Vacation Resorts International:

Tom O'Brien, *Sr. VP. Of Resort Operations*

Dwayne Baty, *VP of Finance*

Grant Tuttle, *Regional Director of Resorts*

Resort Staff:

G. Michael Presley, *General Manager*

Karen Frates, *Assistant General Manager*

Michael Gwin, *Chief Engineer*

Kevin Miller, *Administrative Assistant*

Crystal Honeck, *Office Assistant*

Owners

Bruce Kelly

Jacob Bercu

Mrs. Herald Toy

II. APPROVAL OF AGENDA

The agenda was approved as amended.

III. APPROVAL OF MINUTES

MOTION: Doc Thomas moved to approve the December 5, 2008 Board of Directors regular meeting minutes as amended and the December 18, 2008 Special telephonic Board meeting minutes. Seconded by Roy Fraser, and passed unanimously.

IV. REPORTS

A. RCI

Patricia Murphy representing RCI addressed the Board and Owners present, offering an explanation of the three types of rental inventory in the RCI system; acquired inventory, marketable inventory, and points inventory. Inventory not utilized in one for one exchange will be assigned to a rental channel. Currently 89% of the Resort's inventory are used for exchange purposes. Currently the Tahoe Seasons RCI comment card scores place the Resort as Hospitality. Patricia clarified that the current high scores benefit exchangers permitting exchange in the highest strata or Gold Crown resorts.

Jacob Bercu stated his concerns that RCI has been pricing its rental inventory at less than the Bonus Time rates which he believes negatively impacts the market. Patricia will further research Mr. Bercu's concern and reply to the Board.

B. Management

Vendor Presentation – Cliff Hall, President, Resort Media Group (RMG)

Mr. Hall presented the capabilities of his company's video on demand and free wireless internet service as an option utilizing current technology to replace the terminated service formally provided by InformaCorp. The not to exceed cost to install the infrastructure to support the service is \$2,000 to the Association. There are no fees paid to RMG by the Association on an ongoing basis. RMG derives its income through subscribing advertisers. The Association may deny individual advertisers as it chooses. The Association has the option to terminate an agreement with 30 days notice. The Board authorized RMG to further survey the property for installation of a resort wide video on demand and free wireless internet service to confirm and verify feasibility of installation. Michael Gwin to report through resort management results of survey.

Operations Manager's Report

Karen Frates summarized Michael Presley's Managers report which covered various topics, including administration, maintenance/grounds, reserve/replacement projects status as well as the occupancy report, internal comment card and the Exchange company comment card scores. A copy of this report will be attached to the approved set of these minutes and filed in the Association minute book.

Future Occupancy Reports will be modified to reflect calendar usage. Renovation Update

Michael Gwin reported that were some issues with the new furniture; CDC has initiated a warranty claim with the manufacturer who is responding. CDC to provide written assurance to the Board that this issue will be corrected.

Michael Gwin reported that the Eco-Lab pest control treatment is underway and will be completed safely in accordance with normally accepted pest service practices.

Michael Gwin elaborated on the plan to install InnComm occupancy sensing thermostats to interface with the newly installed and existing heat pumps in the guest rooms. 15 thermostats will be installed this current year. The plan is to complete installation in all

units in five years.

Insurance Renewal

Stacey Shilling of VRI, distributed the insurance renewal prepared for the term April 1, 2009 through April 1, 2010. The cost of renewal is an 8% overall increase over the last renewal. The increase in Worker's Compensation Insurance of \$8,808 and was due the housekeeping labor being brought back in house..

MOTION: Doc Thomas moved to accept the insurance renewal as presented. The motion was seconded by Roy Fraser and passed unanimously.

Stacey Shilling will follow-up to the Board's request for information; acquire a quote for flood coverage as a possible addition.

C. Financial

1. Acknowledgment of Receipt of Financial Materials

Board members acknowledged receipt and review of the monthly financial reports.

Juanita Presley informed the Board that with the conversion of the TSR accounting staff on January 1, 2009 to VRI employees per the recent VRI contract amendment, it was discovered that some of the payroll expense was not incorporated into fee the Association agreed to pay VRI. Ms. Presley informed the Board that VRI would not look to the Association to cover this additional expense. VRI has brought up two other local association's financial work to this office and that VRI has promoted Dwayne Baty to Vice President of Finance.

MOTION: Roy Fraser moved to approve the purchase of ten (10) "Sensor 12" inch upright vacuums for the delivered cost of \$4,431.90. The motion seconded by Doc Thomas and passed unanimously.

2. Variance Report

Dwayne Baty presented and reviewed the Year End Variance Report with the Board members noting a net favorable variance of \$218,189, which is subject to adjustment by the auditors. The Board acknowledged the struggle in reference to rental income by noting that so far this year, the Association is under budgeted revenue by \$107,550.

Management reported that Schonwit and Associates is currently undertaking the audit previously approved by the Board. The audit and management letter will be distributed electronically on completion.

3. Delinquency Report

As of February 24, 2009 the total number of delinquent owners is 1419 and represents 17.7% of the owner base (8,007). There are 147 HOA owned intervals. The combined non-performing total number of intervals is 1566 or

19.56% of the owner base.

4. Contract Ratification

a. Ratification of Contracts

No contracts to approve at this time.

b. Charter Internet

MOTION: Doc Thomas moved to ratify the Charter Communications

Agreement's per unit per month fee of \$10.01. The motion was seconded by Roy Fraser and passed unanimously.

V. OLD BUSINESS

A. Hallway Refurbishment

Management requested that this issue be tabled until 2010. The Board discussed the eventual replacement of the front desk area carpet. The topic will be added to the June 15, 2009 agenda.

B. Proposed Accessibility Upgrade

Staff is continuing the process of investigating and identifying architectural firms. One firm has submitted a proposal to date.

C. Annual Meeting dates

After a review of the Association's attorney's interpretation of the project documents and management's recommendations, the Board decided to hold the Annual meeting at the resort in December.

D. Ratification/Approval of Expenditures

a. Reserve Reimbursements

MOTION: Roy Fraser moved to approve reimbursement of the Operating fund in the amount of \$137,730.05 from the Replacement fund for previously approved expenditures. The motion was seconded by Doc Thomas and passed unanimously.

b. Foundation Evaluation and Testing

Tests have determined that there are no structural defects noted in the foundation.

E. Check out time change Update

Only two letters were received by management concerning the changing of the checkout time. Since there was less than 5% in opposition to the change, the change will be incorporated into the Rules and Regulations; a copy of which will be posted on the Association's website.

VI. NEW BUSINESS

A. Resort Media Group

The Board discussed the presentation of earlier in the meeting by Cliff Hall, President of Resort Media Group (RMG) noting the benefits of utilizing current technology and limited financial impact to the Association.

MOTION: Doc Thomas moved to approve the conversion to Resort Media Group as the service provider for pay per view movies and free wireless internet subject to favorable results of the onsite equipment suitability survey, and to authorized Gary Ransone to sign the agreement representing the Association. The motion was seconded by Roy Fraser and passed unanimously.

VII. OTHER BUSINESS

A. Owner Concerns and Correspondence

Owner Bruce Kelly asked the Board to consider updating the Association's CC&R's and Bylaws to be in compliance with applicable statues and regulations. The Board will take that request under advisement.

Since there was only three of the five Board members present at this meeting, the remaining Board members elected to table discussion of the written suggestions posed by Jake Bercu until the next Board meeting.

B. ASSOCIATION MAILINGS/REVIEW DATES FOR NEXT MAILING

The next quarterly Association News is due out April 30, 2009.

C. FUTURE MEETING DATES

Monday, June 15, 2009	Board meeting, Tahoe Seasons Resort 9:00AM
Monday, September 14, 2009	Board meeting, Tahoe Seasons Resort 9:00 AM
Friday, December 4, 2009	Board meeting, Tahoe Seasons Resort 7:00PM
Saturday, December 5, 2009	Annual meeting, Tahoe Seasons Resort 10:00 AM

VIII. EXECUTIVE SESSION

After a fifteen minute recess break the Board entered into Executive Session at 12:02PM during which the Board approved the December 5, 2008 Executive Session Minutes and the Special Executive Session minutes of February 13, 2009.

Gary Ransone established a Policy Committee of the Board consisting of E.C.van Eckhardt, Roy Fraser, Gary Ransone, Bruce Bergondy and Tom O'Brien. This Committee will solicit bids from legal council specializing in Timeshare law to review the project documents and to make recommendations to the Board.

The Board reaffirmed its previously approved policy regarding distribution of the owner mailing list, which is to provide an alternative method of distributing the requesting owner's printed material. The Board reconfirmed the policy that the staff will follow the explicit direction provided by the Board of Directors.

Approved accepting hardship deed back requests of two accounts current in assessments meeting the criteria of accepting deeds in lieu of foreclosure; and further continue the deed in lieu of foreclosure policy as it stands this date. The Board will review on a case-by-case basis hardship deed back requests to the HOA.

The Board approved a program to convert non-performing HOA owned inventory to Owners in good standing for publication in the April 2009 newsletter:

- Management is to make available to all owners via the newsletter and website, a list of available weeks and the procedures needed to purchase these intervals.
- Established sale price of \$1,000 for Prime Season week and \$500 for High Season week less title, closing and recording costs, and VRI's \$75 transfer fee.
- Offer good until July 1, 2009
- Owners must be in good standing
- Limit three intervals per individual owner on a first come first served basis
- Owners must pay 2009 maintenance fees with purchase (based on reservation availability)
- Offer is only available when the newsletter is mailed and this offer is posted on the Association's website. There will be no wait lists taken, weeks will be sold on a first come first served basis starting the date the newsletter is mailed.

The Board directed management to communicate with the Fat City representatives to see if they would be willing to provide at a minimum, breakfast seven days a week with a minimal amount of subsidy. The Board asked that management report back to the Board in early April so that a telephonic Executive Session Board meeting maybe called to determine the future of the restaurant operations.

With PMR's departure, the Board recognizes the importance of providing Concierge services and further that this service is not budgeted as a 2009 operating expense. The Board authorized on a 90 day temporary basis, the employment of a qualified concierge to be on site during the most effective hours at a pay rate of \$10 per hour with a 40 hour work week. The Board will discuss at the next meeting the continuation of this service.

The Board returned to Regular Session at 1:37PM.

Recap of Special Executive Session meeting February 13, 2009

The Board opened this telephonic meeting at 11:08 AM. Chrys van Eckhardt appointed several Board members and management representatives to the Inventory Liquidation Committee. The Board accepted the resignation of Loren Gallagher and appointed Roy Fraser to the balance of his term. The Board approved depositing two maintenance fee checks from Pacific Monarch's purchase of 417 intervals. The Board formally terminated the Concierge Agreement with Pacific Monarch Resorts. The Board reviewed a recap of the PMR transaction and asked for some clarifications and then instructed management to publish this in the next newsletter. There being no further business the meeting was adjourned at 11:59 AM.

IX. ADJOURNMENT

There being no further business the meeting was adjourned at 1:38PM.